

Message Text

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PAGE 01 STATE 181892
ORIGIN ARA-14

INFO OCT-01 ISO-00 EB-08 SSO-00 CIAE-00 DODE-00
NSAE-00 NSCE-00 ICAE-00 INRE-00 PM-05 H-01 INR-10
L-03 PA-01 SP-02 SS-15 TRSE-00 OPIC-03 /063 R

DRAFTED BY ARA/CEN DWFIGGINS:NAB
APPROVED BY ARA/CEN WMATTHEWS
EB/IFD/BP:TASCHLENKER (INFO)
ARA/L:FARMSTRONG (PHONE)
ARA/PPC:KMARSHALL (INFO)
EB/L:SBENSON (INFO)

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O 190028Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY TEGUCIGALPA IMMEDIATE

C O N F I D E N T I A L STATE 181892

E.O. 11652: ADS

TAGS: EINV, EGOV, PINT, HO, US

SUBJECT: (A) 76 STATE 106223 (B) 77 TEGUCIGALPA 5914
(C) USIS/TEGUCIGALPA 052120Z, JAN. 5, 1978

1. OFFICE OF U.S. ATTORNEY, SEVENTH DISTRICT OF NEW YORK,
WILL FILE INDICTMENT ON WEDNESDAY JULY 19 AGAINST UNITED
BRANDS FOR ALLEGED 1974 PAYMENT OF \$2.5 MILLION BY TELA
RAILROAD COMPANY TO THEN MINISTER OF ECONOMY BENNETON IN
RETURN FOR REDUCTION IN BANANA EXPORT TAXES. THE
INDICTMENT DOES NOT, REPEAT, DOES NOT IMPLICATE THEN
PRESIDENT OSWALDO LOPEZ ARELLANO.

2. OFFICE OF U.S. ATTORNEY INTENDS TO INFORM HONDURAN
ATTORNEY GENERAL, SERPIO HERNANDEZ CASTELLANOS, JULY 18.
PURSUANT TO EMBASSY CONCERNS REFTTEL (B), EMBASSY IS
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AUTHORIZED TO CONTACT HERNANDEZ AND AT ITS DISCRETION
TO INFORM OTHER GON OFFICIALS PRIOR TO PRESS COVERAGE
EXPECTED NEW YORK CITY DAILIES THURSDAY, JULY 20.

3. PROSECUTION WILL BE BASED UPON OLD CONSPIRACY AND
WIRE FRAUD STATUTES, NOT, REPEAT, NOT UPON NEW ILLICIT
PAYMENTS LAW SIGNED BY PRESIDENT CARTER ON DEC. 26, 1977

(REFTEL C).

4. IN DEPARTMENT VIEW, NET POLITICAL IMPACT OF REVIVING
CASE NEED NOT BE PAINFUL REOPENING OF OLD WOUNDS, BUT
RATHER ILLUSTRATION OF TYPE OF RELATIONSHIP BETWEEN USG
AND U.S.-BASED MULTINATIONAL CORPORATIONS WHICH IS
FREQUENTLY ADVOCATED BY DEVELOPING COUNTRY GOVERNMENTS.
DECLASSIFY ON JULY 21. CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORRUPTION, LITIGATION, ALLEGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE181892
Document Source: CORE
Document Unique ID: 00
Drafter: NAB
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780295-0666
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780742/aaaabjja.tel
Line Count: 70
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 85bcb370-c288-dd11-92da-001cc4696bcc
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1954805
Secure: OPEN
Status: NATIVE
Subject: (A) 76 STATE 106223 (B) 77 TEGUCIGALPA 5914 (C) USIS/TEGUCIGALPA 052120Z, JAN. 5, 1978
TAGS: EINV, PGOV, PINT, HO, US, UNITED BRANDS
To: TEGUCIGALPA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/85bcb370-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014